

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO

Minute No. 297

May 31, 1997
Ciudad Juárez, Chihuahua

**OPERATIONS AND MAINTENANCE PROGRAM
AND DISTRIBUTION OF ITS COSTS FOR THE INTERNATIONAL PROJECT
TO IMPROVE THE QUALITY OF THE WATERS OF THE RIO GRANDE
AT LAREDO, TEXAS-NUEVO LAREDO, TAMAULIPAS**

The Commission met in the offices of the Mexican Section in Ciudad Juárez, Chihuahua, at 10:00 a.m. on May 31, 1997 to recommend to the two Governments an operations and maintenance program and distribution of its costs for the international project to improve the quality of the waters of the Rio Grande at Laredo, Texas-Nuevo Laredo, Tamaulipas. The Commissioners pointed out that the Governments of the United States and Mexico in Resolution No. 4 of Commission Minute No. 279, entitled "Joint Measures to Improve the Quality of the Waters of the Rio Grande at Laredo, Texas-Nuevo Laredo, Tamaulipas", signed August 28, 1989, agreed to jointly fund the construction, operation and maintenance of the six elements of this international project. Further, they observed that the Commission in Resolutions Nos. 8 and 9 of Minute No. 279 must reach an agreement on the division of these costs and recommend to the two Governments a specific operations and maintenance program.

The Commissioners reviewed, and found satisfactory, the "Joint Report of the Principal Engineers Concerning Recommendations for the Operation and Maintenance of the International Project to Improve the Quality of the Waters of the Rio Grande at Laredo, Texas-Nuevo Laredo, Tamaulipas Established in Minute No. 279," signed by United States Section Principal Engineer Jose S. Valdez and Mexican Section Principal Engineer Luis Antonio Rascón Mendoza on November 9, 1995. The Commissioners noted that the installation and construction of the six principal elements of the international project, a) Riverside Collector, b) Coyotes I Collector, c) Sewage Collection Expansion, d) Sewage Collection Rehabilitation, e) Pumping Plant and f) Treatment Plant, were essentially completed in July 1996. The Commissioners noted that an operations and maintenance manual is being completed by Mexico that is consistent with the referenced criteria. Such manual would be subject to upgrading as conditions warrant.

The Commissioners referred to the "Joint Report of the Principal Engineers Recommending the Distribution of Costs Between the Two Countries for the Operation and Maintenance of the Nuevo Laredo International Project Authorized in IBWC Minute No. 279", signed by United States Section Principal Engineer Carlos Marin and Mexican Section Principal Engineer Luis Antonio Rascón Mendoza on May 30, 1997. The Commissioners noted that the Principal Engineers took into account the costs for the six principal elements of the international project that should correspond to the United States considering that for Mexico the discharge standards for wastewaters to the Rio Grande from Nuevo Laredo are different than those in the United States, such that the discharge from the Nuevo Laredo treatment plant should meet the international standards agreed to in Commission Minute No. 279, provided that the control measures necessary to meet such standards are jointly financed by the governments of the United States and Mexico. Further, the Commissioners noted that the Principal Engineers recommended a cost to the United States that corresponds

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to the difference between the cost to Mexico of operation and maintenance for Mexico to meet its national effluent standards established for Nuevo Laredo, Tamaulipas and the costs of operation necessary to meet the effluent standards used for the international plant. The Commissioners also considered the Mexican Government's objective of strengthening the operating organizations. As such the operating organization would need stronger support in the earlier years of the operation and maintenance while it undergoes capacity building.

The Commissioners reviewed the procedures for distribution of costs between the two countries recommended by the Principal Engineers in the Joint Report of May 30, 1997, and observed that the Principal Engineers propose that the United States cover its participation in the estimated costs of operating and maintaining the six principal elements of the Nuevo Laredo International Sanitation Project through 2005 in distributed United States contribution based on actual costs of \$350,000 in 1996 and \$700,000 in 1997. They also observed the position of the United States that based on an estimated total cost range of \$15.0 million to \$27.49 million for a 10 year period, the United States is not prepared to have its participation exceed 33.3 percent of the total actual costs in that period. Such distributed United States participation would be subject to review at the end of each year against the actual costs and the information provided to the IBWC by the Mexican Section regarding the progress made in achieving the Mexican Government's objective to strengthen the operating organization in Nuevo Laredo, Tamaulipas. Further, the Commissioners noted the recommendation that Mexico, through the Nuevo Laredo operating agency, would cover the difference through 2005 between the actual costs of the international sanitation project and the United States contribution. In this respect, the Mexican Section, supported by documentation provided by the operating agency, will arrive with the United States Section at statements of actual costs indicating those costs to be covered with the distributed United States funds and those paid by Mexico over and above the United States contribution.

The Commissioners also considered the recommendation that at the end of this period in 2005, the Commission would review the distribution of costs agreement, and make recommendations. This would consider the difference in Mexico's discharge standards applicable for the Rio Grande in Nuevo Laredo and those standards established in Minute No. 279 and against the capacity of the operating organization to totally cover the costs of operating the plant. Finally, the Commissioners noted, and found satisfactory, the specific procedures for monthly charges and payments recommended in the Joint Report.

Based on the above considerations, the Commissioners adopted the following resolutions for the approval of the two Governments:

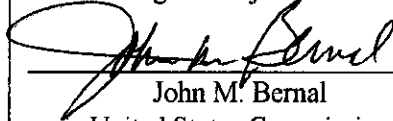
1. The "Joint Report of the Principal Engineers "Concerning Recommendations for the Operation and Maintenance of the International Project to Improve the Quality of the Waters of the Rio Grande at Laredo, Texas-Nuevo Laredo, Tamaulipas Established in Minute No. 279," signed by United States Principal Engineer Jose S. Valdez and Mexican Section Principal Engineer Luis Antonio Rascón Mendoza on November 9, 1995 is adopted, and forms an integral part of this Minute, as the specific operations and maintenance program required by Resolution No. 9 of Commission Minute No. 279, entitled "Joint Measures To Improve the Quality of the Waters of the Rio Grande at Laredo, Texas-Nuevo Laredo, Tamaulipas," signed August 28, 1989, with the understanding that Mexico will ensure that the program is incorporated in an operations and maintenance manual that would be subject to upgrading as conditions warrant.

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2. The "Joint Report of the Principal Engineers Recommending the Distribution of Costs Between the Two Countries for the Operation and Maintenance of the Nuevo Laredo International Project Authorized in IBWC Minute No. 279," signed by United States Section Principal Engineer Carlos Marin and Mexican Section Principal Engineer Luis Antonio Rascón Mendoza on May 30, 1997 is adopted, and forms an integral part of this Minute, as the agreement for distribution between the two countries of the operation and maintenance costs of the six principal elements of the jointly financed the international sanitation project for the city of Nuevo Laredo, Tamaulipas, required by Resolution No. 8 of Commission Minute No. 279, entitled "Joint Measures to improve the quality of the waters of the Rio Grande at Laredo, Texas-Nuevo Laredo, Tamaulipas," signed August 28, 1989.
3. The administration by the Mexican Section of the United States funds will include the involvement of Commission Engineers in: a) development of contracts necessary for extraordinary maintenance and for capital improvements; b) supervision of operations insofar as the operation and maintenance program in the November 9, 1995 Joint Report, including site visits that both Sections may consider necessary; c) the application of United States funds in the operation and maintenance of the six elements agreed in IBWC Minute No. 279; and d) the annual review of progress made by the operating organization in achieving the Mexican Government's goal of strengthening that organization's capacity.
4. All activities carried out pursuant to this Minute will be subject to the availability of appropriated funds, resources and personnel and applicable laws and regulations of each country.
5. This Minute shall enter into force when the Government of the United States of America and the Government of the United Mexican States have each provided written notification through the IBWC of its approval.

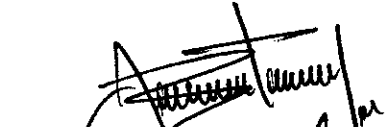
The meeting was adjourned.



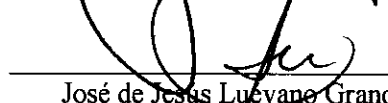
John M. Bernal
United States Commissioner



Manuel R. Ybarra
United States Section Secretary



J. Arturo Herrero Solis
Mexican Commissioner



José de Jesús Luevano Grano
Mexican Section Secretary